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TAC # 6676-79

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Deputy Director for National Foreign Assessment

100 1978

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Deputy Director of Central Intelligence
SUBJECT : Changes in the NIO System

1. Attached is our staff study on the NIOs. When you and Frank have read it, Dick and I would like three quarters of an hour or so of your time to discuss our plans.

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2. We have had several meetings with NIOs and Office Directors, separately and jointly. As a result, I believe that both groups are now satisfied with these proposals, although there are of course variations among them with respect to individual issues.

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3. Nothing is said in this paper concerning the Senior Review Panel. Its future is closely bound up, however, with the future of the NIOs, and its role would appear to be put in question by our plans. I hope we can resolve this question soon.

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Bruce C. Clarke, Jr.

Attachment

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REFORM OF THE NIO SYSTEM

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REFORM OF THE NIO SYSTEM

Executive Summary

The National Intelligence Officer concept has proved its worth and is here to stay. It continues to suffer, however, from some long-standing weaknesses and from others that stem from the merger with the DDI in 1977. In general terms these are:

- The NIO's national role has been eroded. Community agencies believe they are being short-changed.
- Production of national intelligence, and particularly of NIEs and IIMs, is too slow to be responsive to the policy process.
- The NIO's responsibilities are not clearly understood by the consumer, by the Community, by the personnel of NFAC, and by the NIOs themselves.
- There are no clear guidelines governing the NIO role in the NFAC production process. As a result, the NIO is often perceived as a source of disruption.
- NIOs are overworked and too concerned with routine short-range staff work.
- There are too many NIOs, and their accounts overlap in ways that contribute to confusion as to their responsibilities.
- There is little uniformity in NIO performance; they lack both supervision and dedicated administrative support.
- Collaboration among NIOs is limited to some overlapping accounts. There is minimal collegial discussion or review.
- Regional NIOs have great difficulty in enlisting quality drafting talent; their dependence on NFAC for the bulk of their drafters slows production and creates difficulties in NFAC production planning.

Some of these shortcomings can be substantially alleviated. Others, however, represent management choices made in the past. Changes will depend on the desire of this management to balance its equities differently. One common thread is the need for simplification and clarity. Another is the need for a reduction in the NIO's workload and some change in his priorities and ways of operating. The DCI and DD/NFA must resist the temptation to involve him constantly in fire-fighting and routine staff work.

The NIO's priorities should be:

- His responsibilities as the DCI's substantive advisor and surrogate in the policy process.
- Linking that process to intelligence production through the identification of policy interests and priorities.
- Production of national intelligence, with emphasis on its interagency component.

A critical relationship for the management of NFAC is that between NIO and Office Director. This relationship should be governed by the principle that the NIO is primarily responsible for interagency products, while the Office Director is primarily responsible for NFAC products. However, because "national intelligence" includes not only NIEs and IIMs, for which NFAC does much of the work, but also a substantial part of NFAC's product, the principle cannot be simply applied; the NIO must advise DD/NFA on the quality and responsiveness of NFAC's "national" product. In a corporate sense, NIO and Office Director share a degree of responsibility for all product, working within what should be understood norms. Some tension is inevitable, but whether it is creative or destructive depends on common sense and communication. In particular, the duty of the NIO to advise DD/NFA on NFAC product should be viewed as a means to encourage continued dialogue on papers in progress. If the system works well, the NIO's direct management role in the NFAC production process should be minimal, but his influence on the product should be great.

Unless the DCI wishes to take a deterioration in the NIO-Office relationship to bolster his Community equities, the NIOs should remain subordinate to DD/NFA (but not D/NFAC), while continuing to operate in relation to the DCI as they do today. Their national status should be recognized by giving them an organizational position distinct from that of the other elements of NFAC. This plus some changes of emphasis and priority will give increased attention to Community interests.

The number of NIOs should be reduced to those with clearly defined regional and functional accounts, and a number of "NIOs at Large" added. The number of assistant NIOs should also be reduced. The NIOs

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should be formed into an organization, the "National Intelligence Council," with a Chairman and supporting sub-structure. They should be backed up by the Assistant NIOs and a staff composed of a number of senior analysts with broad substantive skill. Such a staff, properly manned and flexibly managed, can provide a unique capability for the Community to produce timely and relevant papers in support of the policy process. Fundamental to the staff concept are changes in NFAC personnel policy designed to encourage the development of such talent.

A primary reason for declining interest among policy officers in the estimative product is the weakness of its tie to the policy process; it is difficult to keep product relevant when the production process is so afflicted with delays. Provision of NIOs at Large to back up the principal NIO, availability of a dedicated staff to draft, and some delegation of review authority to the Chairman of the Council should greatly reduce these delays.

Reduction in the workload on NIOs and the provision for supervision will provide more opportunity for collegiality, but this will always be limited by their specific quasi-operational responsibilities to the DCI.

The resource implications of these proposals are not great. The NIC would be perhaps half again as large as the present NIO establishment.

Adoption of the recommendations of this report would yield a limited improvement in Community attitude and cooperation and a greater improvement in NFAC efficiency, with the ultimate goal an improvement in product quality. Such progress is critically dependent on the support and restraint of the DCI, DDCI and DD/NFA, on effective working relationships among NIOs and Office Directors, on development of a skilled supporting staff, and, most important of all, choosing as NIOs officers adept in bureaucratic skills.

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